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CONNECTING URBAN DESIGN TO REAL ESTATE DEVELOPMENT

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INTRODUCTION

This book has reported diverse international experience drawn from academia and practice on the relationship between urban design and real estate development. Rather than applying architectural aesthetics across a large urban canvas, urban design has been interpreted as a place-making activity. This perspective presumes that those keen to see far better places created than typically produced by real estate development are inspired to foster a culture of place-making, which can then be deployed to challenge narrow thinking among those responsible for much of today's urban environment. Although this challenge is sometimes confined to those working within real estate development, it is - or should be - a matter of public debate. Indeed, at times it is one of intense public controversy.

This explains why the book has examined in some detail how public policy can help locate urban design and place-making more centrally within real estate development. Indeed, by seeing urban design as an activity that has broader, but indirect, influence on the thinking of those who produce the built environment, as well as one with immediate and direct impact on the quality of particular projects, we can apply George's (1997) distinction between second and first order design. While the book has highlighted exemplars of urban design as a first order activity across the United States, Canada, Europe and the United Kingdom, it has done so in the context of looking at how urban design, as a second order activity, can create a 'decision environment' that makes developers, financiers, designers and other actors in the development process take place-making much more seriously. Urban design, in this sense, acts as an integrative problem-solving activity, which transcends and connects what might otherwise be the detached thinking of each different development actor or profession (Brain, 2005), while, at the same time, making places more sustainable by joining up key elements such as infrastructure and development (as Falk shows in Chapter 2). Thinking about urban design as a second-order activity thus explains why the overarching research question in the book has been: "How successful are particular public policy instruments in framing (and reframing) the relationship between designers and developers to the advantage of urban design (place) quality?"

The purpose of this concluding chapter is to synthesise what we, as editors, consider can be drawn from individual chapters in response to this research question. We approach this task by concentrating on four main themes. We look **first**, in the next section, at the potential impact of urban design on the economics of real estate development by considering the extent to which better design enhances, rather than detracts from, development value. This sets the context for our **second** theme, which explores relations between designers and developers. Here, we review

how attitudes towards place-making can vary greatly between different types of developer. We then re-interpret our earlier thinking about ‘opportunity space’ in the light of evidence presented by various contributors to the book. As a **third** theme, we focus on policy design comparing the effectiveness of the different policy tools we presented in the first chapter in helping to achieve higher quality development and better places. This leads to our **final** theme, which highlights key research implications of some of the main conclusions of this book.

URBAN DESIGN AND DEVELOPMENT ECONOMICS

Does better urban design pay? This apparently simple question disguises more complex ones. First, we may wish to investigate what ‘pay’ means in this context for, as we indicated, in Figure 1.6, developers are concerned with risk, timing and other crucial factors, as well as immediate costs and revenues. Secondly, we may need to ask “For whom does better urban design pay?” since, as we again indicated in Chapter 1, numerous actors participate in the real estate development process, some on the demand side and some on the supply side, as a result of which place quality can be undermined by producer-consumers gaps. Thirdly, we should bear in mind that if better urban design was deemed to ‘pay’ in the same way as adding more floorspace to a development, then this book might not be necessary. In this case, rather than simply forcing developers to adopt higher design standards, policy might seek to establish the benefits of better urban design (financial and otherwise) to developers themselves, and make these widely known in the hope that this will re-orientate developer thinking in a more ‘rational’ direction. Hence, discussion of the relationship between urban design and development economics is fundamental to subsequent policy choices.

Two of the later chapters in this book review evidence on whether better design adds value to private real estate. Hack & Sagalyn (Chapter 13) approach this from a historical perspective, arguing that investment in the public realm has long brought financial benefits to neighbouring properties. Henneberry *et al.* (Chapter 11) add a more contemporary perspective, reporting the results of a series of recent studies across the real estate literature that calculate specific increases in property values that have been attributed to particular design elements. They remain concerned, however, about whether the results of such general hedonic analysis can be applied to specific developments. At a result, they react cautiously to the claim that “... *good urban design adds value by increasing the economic viability of development*” made by Carmona *et al.* (2001: 8), and indeed, in similar terms by others. Hack & Sagalyn’s response is more direct, arguing frequently from North American experience that urban designers who set out to create value can do so to the benefit of both the developer and the intrinsic quality of the development. Significantly, for this ‘win-win’ result to be achievable, Hack & Sagalyn call for urban designers to be become skilled in

“... understanding markets and financial models, acquiring knowledge of legal arrangements for parcelling rights to land and facilities, learning about innovative precedents for complex public-private arrangements, and mastering the skills of negotiation to reach successful agreements.”

In other words, better urban design more than pays for itself, even in a narrow sense, but only because urban designers make determined attempts to make sure it does.

In a broader sense, several contributors to the book make the point that better regulation of design quality, and indeed better design standards more generally, reduce development risk and often enable development to happen more quickly. If correct, both these claims would make developments more economically viable, since uncertainty and delay are well known causes of upward pressure on development costs. Hall (Chapter 4), for example, puts forward a strong case in favour of clear design policies, arguing that it saves developers time and trouble to know well in advance exactly what will be required on particular sites, even to the extent that this can then be

factored into land prices. Tolson (Chapter 8) takes a similar view in relation to design competitions, suggesting that competition briefs lacking clarity and prescription may actually deter developer interest since each competitor will have to invest their own resources in working up potentially abortive designs. In this context, Hack & Sagalyn argue that the master developer, when working alongside a public agency, has the potential to achieve both creative design and risk reduction for the public sector, through the arrangements that are struck with individual plot/parcel developers. Carmona (Chapter 3) sees design codes as offering developers a helpful balance between certainty and flexibility, which allow the financial implications of different design choices to be evaluated with some confidence early in the development process. This chimes with Punter's discussion of design review (Chapter 9), which suggests that the earlier in the development process such reviews take place, the more effective they are. More broadly, Falk (Chapter 2) emphasises the role of urban design in maximising urban property values through effective co-ordination of social and physical infrastructure with development, while Carmona sees the co-ordination potential of design codes as a mechanism to bring together multiple teams and development phases to achieve a coherent design vision across a large site.

All this seems sensible enough until Henneberry *et al.* interrupt with the cautionary note that the current structure of real estate markets means that most of the value streams generated by better design are not captured by the developer. By highlighting such producer-consumer gaps, we are prompted to ask for whom better urban design pays and perhaps, who pays for it. In the latter context, Hack & Sagalyn's response is clear – pointing to Canadian experience, they argue that strong urban design guidelines in Vancouver worked precisely because they were well known, consistently operated and thus factored in the value that developers pay for land. Yet what Henneberry *et al.* allude to is the reluctance of trader developers to invest in better design if they consider that potential purchasers are unlikely to repay their efforts for doing so. While recognising that this dilemma reflects the power relations of development, Henneberry *et al.* concentrate on finding a technical solution by linking a simplified form of CAD through to viability analysis to enable the financial implications of successive design iterations to be instantly tested. This may well shift the relationship between developer and designer in Bentley's (1999) terms from that of a battlefield to more of a master-servant relationship, in which 'value from design' is determined in an instrumental rather than creative way. In practice, much will depend on the attitude and nature of the developer. We thus return to these issues later in this chapter.

It cannot be presumed that most developers would readily invest in better design, even if the financial benefits of doing so were abundantly evident. In this context, Hall's experience of Chelmsford persuaded him that national developers were reluctant to depart from their tried-and-tested (but dismal) designs, primarily because of their ignorance of local market conditions, which made them slow to bring forward alternative forms of development that combined better quality design with greater financial return. Hall thus argues that tighter design regulation not only 'turned the town around' in relation to the quality of its new development but was also fundamental in forcing developers to grasp what was in their own best interests. In contrast, in the North American context, Hack & Sagalyn call for 'reciprocity' between private developers and regulatory authorities by way of allowing developments that provide collective benefits to the public realm to benefit from increased densities, greater height or other forms of regulatory flexibility. As these two very different approaches suggest, public policy choices in this arena may impact as much on the way in which developers think about the value of urban design as upon the prospects of achieving better quality design itself. We thus return to the issue of policy choice later in this chapter, having first sought to disaggregate the term 'developer' and to explore what can be learnt from the various contributions to this book about power relations between developers and designers.

OPPORTUNITY SPACE AND DEVELOPER-DESIGNER RELATIONS

As Punter contends in Chapter 9, “... *the principal determinant of design quality remains the commitment of the developer to design excellence and sustainability, and the skills of the design team retained to execute the project.*” The central research question for this book thus concerned the impact of urban design policy instruments on developers’ (and thence on designers’) decision-making and, in particular, their impact on those factors – reward, risk, uncertainty, time, etc - that would make them more likely, or less likely, to provide higher quality development and to contribute to producing better places. In this section, we seek to draw together what can be learnt from the various contributions about developer attitudes towards urban design, how this might differ between different types of developer and the state of developer-designer relations in practice.

There are some excellent examples in the book of developers who value good urban design. In Love & Crawford’s account of Madinat Al Soor (Chapter 5), they highlight the developer’s desire to achieve what has otherwise been lacking in the Dubai of the 21st century - street-level intimacy and scalar variability. In the United States, Hack & Sagalyn demonstrate the strong commitment of the Prudential Insurance Company in Boston to a participatory planning process that helped create a design that now merges seamlessly with the surrounding neighbourhoods and greatly enhances the fabric of the city. In the UK, Syms & Clarke (Chapter 7) recount how developers have worked hard in the historic town of Kendal carefully to integrate a mixed use development, anchored by a foodstore, into the grain of the place. While all such examples are welcome, the real issue is whether they are representative of attitudes towards urban design across the development industry more widely.

A contrasting and more pessimistic view of the commitment of developers to design quality is provided by a newly appointed design officer within the planning department of the City of Edinburgh Council, who observed:

“What really shocked me coming to work here were some of the absolutely dire developments you see every day, and it is not a minority. Volume house builders, generic house types, pastiche, really low quality material. There is only so much a regulatory process like planning can do to raise design up the agenda, if the quality brought to the table by the private developer doesn’t have an aspiration”
(Raeburn 2008: 68)

As Adams & Payne (Chapter 10) point out, design matters may not necessarily be high on the agenda of many private developers. They argue, for example, that UK housebuilders are primarily land-focused rather than design/place-focused and demonstrate an embedded culture of standardisation in product design. When challenged by tighter regulation, their response has primarily been to make relatively limited changes to the standard product range, but not to transform underlying design processes or development practices. What is perhaps most ironic about the well-known reluctance of many UK housebuilders to innovation is their claim, as Carmona highlights, to know the market best. Hall berates this attitude for its lack of imagination, arguing that the costs of better design are actually marginal in comparison with overall development costs and, most likely, would be more than repaid by additional revenues. To him ‘developer failure’ is attributable to a lack of expertise and commitment and its logic of following the path-of-least-regulatory-resistance, avoiding risk and maintaining strict cost control, needs to be countered by much stronger regulation.

What must be remembered, of course, is the desire and ability of powerful sectional interests, such as developers, to capture the regulatory processes intended to manage their activities. This is well

illustrated by Marantz & Ben Joseph (Chapter 6), who, in their account of the evolution of zoning and other forms of regulation in the United States, contend that:

“Asking how regulation affected these developers would be somewhat misleading, because they exerted great control over regulation. We therefore seek to understand why large-scale developers sought certain types of regulation, and how the results have affected the built environment.”

In this context, the Edinburgh experience, reported by Tiesdell in Chapter 12, is pertinent. He recounts how Edinburgh’s real estate developers warmed to Sir Terry Farrell’s leadership as the city’s Design Champion, not least because they liked his drive for higher quality. These two contributions suggest a more complex relationship between regulators and the development industry, in which a mutually advantageous agenda might emerge over time.

Discussion so far has not distinguished between the attitudes of different types of developers to urban design, yet several contributors highlight this as an important component of understanding any developer’s likely commitment to design matters. Punter, for example, suggests that investor-developers, who have a long-term interest in the quality of the place they create, regard design review much more positively than trader-developers, whose intentions are to sell out once development is completed. However, even the latter are not necessarily a homogenous group for he notes “... the welcome emergence of a new breed of niche developers who have an interest in urban regeneration, conservation and sustainability alongside innovative architecture and urban design.” The long-term investment of such developers may be not so much in any particular place but in their own reputation to create quality places more generally. This chimes with the distinction made by Adams & Payne between pioneers, pragmatists and sceptics among UK housebuilders, with only the former showing real interest in bespoke design. In a recent paper we sought to tease out the distinction between ‘place-based’ and ‘non place-based’ entrepreneurs, suggesting that

“... place-based entrepreneurs are those who actively work with the grain of a city, responding to local factors, seeing added value in design, and taking a broader view of where development potential exists. They are typified by locally, relatively small-scale, independent entrepreneurs. Non-place entrepreneurs tend to ignore, undervalue, or actively work against the grain of a city. They take a more limited view of where development potential exists and are generally risk-averse. They are typified by externally based institutional investors.” (Adams & Tiesdell, 2010: 199)

What this suggests is the need to take a more fine-grained look at how different types of developers approach design quality and in setting a future research agenda at the end of this chapter, we return to the urgent need to move on from highlighting examples of different types of developer to reaching a more rigorous understanding of the variety of attitudes and approaches to design across the industry more widely. To contextualise this search, it is important to understand the varied motivation of development actors, which we set out in Figure 1.1 in the opening chapter, and to seek ways in which gaps between those who produce the built environment and those who consume it can be closed.

Nevertheless, it is important not to hold developers solely responsible for place quality, without taking into account the wider socio-economic and politico-regulatory context. In the first chapter, we thus introduced opportunity space theory, which highlights how this broader context affects the agency and interaction of development actors. Such actors negotiate, manoeuvre, interact, scheme and plot to make the best use of their opportunity space, while also seeking to enlarge it so as to gain greater autonomy and freedom to achieve their own goals. Although private-sector actors strategise to achieve private goals, they might also be prepared to meet public policy goals

where these coincide or align with their own private goals. This might happen voluntarily and altruistically, but they may also be coerced into doing so by the need for regulatory consents and indeed as Hall suggests, where the regulatory constraints actually guide them towards what is actually in their own best interest (and perhaps also the community's best interest). It should thus be recognised that public-sector actors also strategise to constrain, shape, or otherwise influence developers' behaviours and actions and that of their designers.

We suggested that the developer's opportunity space is constrained by various external forces – the site or physical context, the public policy context, and the market. Although more or fixed at any point in time, these forces change, often radically, over time. Such change can open up (and close down) 'windows-of-opportunity' at particular points in the development cycle, which adds a dynamic dimension to the concept of opportunity space.

Several contributors to this book offer insights on the application of opportunity space theory, especially to the relationship between developers and designers. Hack & Sagalyn demonstrate the potential of designers who "... incorporate ideas about value creation into ... their toolkit" to expand their own opportunity space in the face of demands upon their developer clients to deliver high-quality public goods as part of new development projects. Hall argues that tighter regulation in Chelmsford forced housebuilders to commission specialist external architects rather than rely on in-house design technicians, while Tiesdell notes that one consequence of Sir Terry Farrell's period as Edinburgh Design Champion was to shift design work to the city's better architectural practices, who were better able to respond to the quality, place and design agenda championed by Farrell.

However, both Carmona and Punter, commenting respectively on design codes and design review, make the important point that design expectations need to be made clear by planning authorities at an early stage in the development process, before developers have become too committed financially to any particular design. As Henneberry *et al.* make clear: "*In the early stages of the development process the room for manoeuvre is considerable because the developer has made limited financial or legal commitments to the project.*" This would suggest that the relative opportunity space between developers and designers may shift rapidly at a certain point in the development process, after which regulatory intervention intended to tip the balance in favour of designers may prove ineffective. Exploring how this balance changes over time, Adams & Payne argue that UK housebuilders turned to skilled designers to overcome an apparent reduction in their own opportunity space caused by increased regulation, but that this was only temporary and that they subsequently returned to limited design input as soon as the contribution of skilled designers could be standardised.

Of course, the presumption that better design outcomes come when more opportunity space is yielded to designers is open to challenge, since it relies, perhaps wrongly, on designers not misusing the opportunity space they are given. The possibility of course exists of what might be termed 'designer failure'. Commenting on criticism of new development on Edinburgh's waterfront and of the local authority for having 'allowed it to happen', one of the city's design officers (John Deffenbaugh) observed: "... those designs and those buildings originated on someone's drawing board. A qualified architect designed those buildings, but the city bears the brunt of the criticism." (Raeburn 2008: 68)

Rather than an overarching single cause, it can be hypothesised that designer failure has several partial and interrelated causes, about which, in the absent more systematic research, we can only speculate. An initial non-exhaustive list might include:

- The desire to satisfy the building or development sponsor without regard for the wider public or collective interest.

- An inherent lack of design ability – not all designers are actually good designers or indeed sensitive to place, in which case narrower ‘architectural’ (i.e. building-centric) values may trump broader ‘urban’ (i.e. place-centric) values
- Failures or gaps in the education of designers.
- Various moral hazards – including acting in one’s own self-interest by, for example, seeking the acclaim of peers, publication in journals, career progression etc
- Ideological imperatives, such as views of architecture as primarily a visual art and of architects as primary artists.

While opportunity space theory provides a conceptual framework for understanding the relationships between developers and designers, a more nuanced account could usefully reflect the varied motivations of designers and the critical importance of time, both in relation to the development cycle as a whole and in reflection of the timing of the designer’s input.

POLICY CHOICES AND POLICY DESIGN

We now turn to the implications of these issues for policy design. Here we focus on the four subsidiary research questions established at the start of the book:

- What public policy instruments are available to facilitate better quality urban development and better places?
- How do particular policy instruments impact on the decision environments or opportunity space of developers and designers?
- In what other ways do particular policy instruments impact on design quality?
- Are some types of policy instruments more effective than others in facilitating higher quality development and better places?

In this section, we explore the four types of policy instruments outlined in the first chapter to compare the potential effectiveness of market shaping, market regulation, market stimulus and capacity building in helping to achieve higher quality development and better places. However, in doing so, three notes of caution are required.

First, to allow an analytic focus on means, this book has deliberately separated ends and means, and thus implicitly assumes mechanistic means-end rationality in terms of cause-and-effect (i.e. that certain means will produce certain ends). The real situation is more complex and nuanced because means and ends are highly interrelated. Brain (2005: 233), for example, observes how:

“Researchers typically assume that it is possible to test the relationship between the means and end as relationship of cause and effect, remaining agnostic with respect to the value of the end and the possibly, independent value of particular means.”

But, he argues, policy-makers inevitably seek to “... achieve an end with means that are never neutral in themselves. In the context of the urban landscape, every design and planning decision is a value proposition, and a proposition that has to do with social and political relationships.” (Brain 2005: 233). Brain’s contention, with which we agree, is that value propositions and value positions cannot be simply ignored.

The end that this book promotes is the creation of better places. It is thus based on the desirability of place-making and the promotion of place-making, rather than place-breaking, policy instruments. For analytical purposes and to focus on means rather than ends, we have put to one side the issues of what is a ‘good’ or ‘better’ place in order to focus on delivery. There are different

attitudes and opinions to what constitutes a ‘good’ place. There is also extensive discussion, including the development of a body of normative theory, in urban design and other academic literature, along with much assertion in policy documents, about the qualities and attributes of good places. We thus consider that, in any particular circumstances, ‘higher quality’ and ‘better’ can be defined and agreed through a deliberative process and, in turn, made the objective of public policy and of design processes.

Secondly, however, using public policy instruments to compel and encourage developers (and their designers) to produce better design entails, in effect, some form of state intervention to correct the market failure of ‘bad places’. But this risks the fallacy of supposing that the alternative to imperfect markets is ‘perfect government’. Highlighting the prevalence of government, as well as market, failure, public choice theory focuses on planning as a political activity (e.g. Poulton 1997; Pennington 2000). By emphasising how state intervention distorts prices and encourages rent seeking behaviour, public choice theory expressly challenges welfare economics approaches. It also highlights how the costs of policy formulation, monitoring and enforcement are often neglected. Although, in principle, a mode of analysis (and apparently neutral between the costs of government and market failure), an overarching theme of public choice theory is that state intervention creates more problems than it solves and its most prominent analysis have tended to advocate a vision of the ‘minimal state’ (Ward 2002). Public choice economists have been quick to highlight the costs of government, which are often direct and bear on identifiable actors (such as taxpayers), but less quick to highlight the benefits, which are more diffuse, bear on the community-at-large and are more difficult to measure.

It is thus a political question which imperfect form of organisation will lead to a better outcome. For example, if you cannot regulate well (or if there are insufficient skills and aptitudes within the existing workforce to regulate well), the dilemma arises whether it is better to regulate ‘poorly’ or not to regulate at all. Doubting the ability of public sector planners to regulate to produce better places, many may argue (sometimes with good cause) that their actions simply worsen the situation. Equally, both wholly unregulated development and wholly regulated development can produce good places. But it remains a matter of probabilities which approach is more likely to produce better places more frequently.

Thirdly, policy-making in any one sector does not occur in isolation but inevitably takes places within a context determined by numerous other policy demands. What therefore deserves careful consideration is the extent to which the pursuit of better quality urban design conflicts with other broader policy priorities. In the UK, for example, some would argue that design requirements should not be allowed to outbid the urgent need for more homes to be built or to be built on brownfield sites, where development costs are generally higher. As Hall notes in Chapter 4, others have argued that stringent design policies cannot be justified in areas of economic decline, where development at any price is often at the forefront of local politicians’ minds. Hall’s response to this implicit moratorium on design regulation is clear:

“Although the experience related here took place in a context of high land values, there is no reason to suppose that the type of policies applied in Chelmsford would not be equally successful where land values are low. The tragedy is that, in areas of economic decline, councils may be reluctant to press developers to produce higher standards in case they go away. However, as has been explained, good design is certainly not less, more often more profitable. Moreover, as is often pointed out elsewhere, it can add value within the process of regeneration. Reluctance on behalf of both parties to pursue higher standards is more in the mind than in the pocket.”

Bearing in mind these three provisos, we now focus more closely on state-market relationships with respect to design and development processes and outcomes, and summarise what we consider the various contributions to this book tell us about how particular public policy instruments can be deployed to frame (and reframe) the relationship between designers and developers to the advantage of place quality.

Market shaping

In the opening chapter, we identified market shaping as covering those policy instruments that provide the overarching context for market actions and transactions. We drew particular attention to the importance of plans (including policy guidance and planning briefs) and emphasised the distinction between plans that are developmental (in the true sense that they set out intended public actions), regulatory and indicative.

The strongest evidence in this book on the potential of market shaping to achieve higher quality development and better places came from Falk (Chapter 2) in his account of why many European cities manage to deliver much better places than their British competitors. He ascribes the European success to the importance of civic leadership, effective financial mechanisms and especially the way in which infrastructure provision and place-making are closely related through the appropriate uses of true development plans. Significantly, Falk comments that:

“... the incentive of infrastructure means that ‘design strings’ can be attached. In other words, infrastructure is fundamental to place-shaping and to putting urbanist principles into practice. The term infrastructure, incidentally, needs to embrace not just the hard physical infrastructure of roads and utilities, but also the soft or social infrastructure of schools, shops and meeting places that can make or break new communities. Exemplary schemes like in Freiburg or Stockholm also benefit from their connectivity to high quality infrastructure, such as municipal tram systems or district heating schemes.

As Falk suggests, in some cases, such as in the Netherlands, public land ownership has also central to making best use of available land. This linkage between ownership and development in shaping design quality is explored in more detail by Love & Crawford, who look at the importance and manner of land sub-division in achieving design quality in the US and elsewhere. Significantly, they highlight the relationship between the relationship between public officials, master developers and masterplanners as having the potential to control ultimate place character through rules established in the pre-development phase. This chimes with Carmona’s view that, when well used, design codes can provide an effective framework to achieve better-designed development, with less local opposition, and in a manner that creates a level playing field for developers.

Creating better places through market shaping can achieve wider benefits beyond better quality design, for as Falk argues, in a competitive urban environment, those cities who adopt the most integrated framework for new development are best placed to succeed and most likely to move up the urban league.

Market regulation

Regulatory instruments control market actions and transactions and limit an actor’s opportunity space by restricting the available choices. What becomes apparent from the various chapters in the book is the need for more sophisticated forms of design regulation, while still providing clarity to market actors. Punter, for example, highlights how design review as a capacity building instrument (see below) can be deployed to overcome what he considers some of the limitations of

‘negative development control’. Love & Crawford emphasise the importance of reinforcing regulatory guidelines by a careful parcel map, which can help craft the character of successful urban districts. They berate urban governments, who they claim are often complicit in maintaining large-parcels, for their failure to ensure the right balance of regulatory controls to break down mega-projects by careful use of plots, streets, blocks, and other infrastructural components. However, as Hall points out in Chelmsford, effective design regulation demands political will at local and, in the UK, at national level. It may also require re-staffing or at least re-training of the professional cadre who work for and represent local political leaders, to ensure the skills and culture necessary to transform the design thinking of those subject to regulation. Yet, it is important to note the warning from Marantz & Ben-Joseph, who argue forcibly from an American perspective that:

“From Frederic Howe to Andrés Duany, proponents of urban change have long called for better government regulation on the built environment. And while their messages have influenced the debate, they have achieved success only to the extent that their ambitions aligned with the most powerful figures in real estate development.”

Market stimulus

In the opening chapter, we contrasted market regulation and market stimulus. We suggested that while regulation often operates negatively, for example, by directing demand away from specified locations, it cannot generally attract demand (and development) to a location. In practice, regulatory instruments are often supplemented by stimulus instruments that seek to facilitate markets working better - they ‘lubricate’ the market by, for example, having a direct impact on financial appraisals. While regulatory instruments generally stop things from happening, stimulus actions increase the likelihood of some desired event or action taking place by making some actions more – and sometimes less - attractive to, and rewarding for, particular development actors (i.e. they change the pattern of incentives within the decision environment). In this context, Hack & Sagalyn provide some particularly instructive examples of stimulus instruments, showing how they have been used to achieve better quality development and improved public realm. These measures include consent for additional high-value development (and hence extra tax revenues) in Boston, public-sector intervention as master developer in New York, density bonuses again in New York, site assembly and infrastructure provision in Stockholm, and property rights pooling in Beirut.

Experience of stimulus instruments in the UK seems quite tame in comparison. Adams & Payne consider that residential design policy has deployed the full range of policy instruments outlined in Chapter 1, apart from those involving financial stimulus. Syms & Clarke distinguish between instruments intended to stimulate more development and those meant to encourage better quality design, and suggest that only rarely do these two purposes come together. They also point out that the UK’s long tradition of supporting development in regeneration areas through grant subsidy was brought to an end in 1999, when it was deemed anti-competitive by the European Union. They therefore look to a range of policy and regulatory measures to stimulate better design among developers, but it remains difficult to assess how far such measures actually persuade developers to change their behaviour to the extent of enthusiastically embracing design practices that they would otherwise have been reluctant to adopt.

In this context, Tolson calls for the public sector in the UK to learn from the European experience and to be prepared to act as place promoter. Although he points out that developer competitions, especially those organised by the public sector, can go horribly wrong, he retains faith in the potential for municipalities and other public agencies to stimulate well designed development by putting themselves in the driving seat. Specifically, Tolson argues that:

“History has shown from Edinburgh New Town to Glasgow’s Crown Street that the best solutions require the public sector to participate. Somehow, we have lost this participation and have been driven by political ideology that the market is best placed to deliver places. This does not appear to be the case in continental Europe. Sadly, to get more public participation will take time, since there is a lack of resource and development skill in the public sector. Indeed, it will take some brave politicians to make a radical shift by allowing the State to invest and actively engage in value-generating activity instead of monitoring the costs of others.”

What the British experience suggests, in comparison with that from Europe, the United States and elsewhere is the need for a radical rethink of how better quality design can be stimulated by creating new policy instruments that encourage developers to want to create high quality places. This links closely to the final type of policy instrument outlined in Chapter 1 - capacity building - to which we now turn.

Capacity building

In Chapter 1, we defined capacity building instruments as those that enhance the abilities and capacity - skills, knowledge, networks, rules of operation, working practices, etc - of development actors. We also commented that in developing effective capacity building measures, public agencies may need to demonstrate innovation and insight into market processes - the capacity built serves to overcome obstacles to development and to release development potential. Several contributions to the book, including Punter’s account of design review and Tiesdell’s discussion of design champions, address the importance of capacity building in the public sector. Both reflect on how cultural and organisational change on design issues, within and beyond local authorities, can enhance designers’ relative opportunity space. Hall takes an even stronger view of what he calls the need for ‘regime change’ towards design within local authorities, encompassing enhanced profession skills and greater political determination to tackle poor design. Both Adams & Payne and Henneberry *et al.* explore the potential for capacity building within the private sector. The first of these contributions questions the commitment of private sector housebuilders to design innovation and quality, while the second explores the extent to which new methods of financial analysis might help developers better understand the benefits of urban design (or perhaps, less charitably, extract maximum financial benefit from limited design improvements).

Across these various contributions, two main themes emerge. The first is the importance of building design capacity, to the extent that other policy instruments could work more effectively if skills and mindsets in both the public and private sectors were more readily attuned to knowing how to create better places in a financially beneficial way. The exemplars from different parts of the Europe and America presented by different contributors to this book suggest that such an ambition is not over-optimistic. But the second main theme coming through the various chapters is that capacity building consumes time and resources and can never be seen as a quick fix. In many cases, poor design practices have become culturally embedded by the strength of path dependency, illustrated, for example, by the sustained running-down of design skills within local planning authorities and the scale of investment needed to turn this decline around. Similarly, lack of competitive behaviour among housebuilders has allowed individual companies to prosper without necessarily developing as learning or adaptive organisations. Thus, while capacity building needs to be seen as an integral part of the design policy armoury, it may not, by itself, produce immediate policy victories in the short term.

TOWARDS A RESEARCH AGENDA

We conclude this chapter, and indeed the book as a whole, by sketching out what we see as some of the essential components of an urban design research agenda in the years ahead. Our focus here is not on what constitutes good urban design but rather on how it can best be delivered.

From the various accounts reported in the book, we see genuine attempts made over the past decade or so to restore urban design, and more precisely place-making, to a more central position within urban and planning policies. Our first research priority concerns the extent to which this has become well embedded within the public sector. Here, we need to discover whether the achievements reported in this book and elsewhere are representative of a fundamental cultural shift across the public sector or whether they actually remain fairly isolated examples of good practice that are rarely replicated. The nature of power relations within and beyond local authorities is worthy of investigation here, for there are important concerns here around how key local players, including city mayors and chief executives see urban design (and more particularly place-making) as a crucial part of the new urban agenda in contrast to those who regard it as worthy of sacrifice when times get tough. Now that economic times are certainly getting tougher and municipalities are having to fight harder for every last resource, it becomes essential to see whether recent design progress has become well embedded in organisational culture or whether it is likely to be threatened in the new age of austerity. This concern links closely to the earlier discussions on whether better urban design is regarded as a cost or a benefit.

Secondly, we have argued consistently that one of the critical tests of design policy is the extent to which it shifts developer attitudes and approaches, which would include a far greater commitment to the use of skilled design expertise in development projects. Yet, as alluded to earlier, the development industry, at least in relation to design issues, remains something of a black box. We have suggested that some developers have a greater long-term commitment to design quality, either because they are likely to retain the development in their own ownership for some considerable time ahead or because they might have a vested interest in building their own reputation on quality design.

Nevertheless, established and accepted categorisations of developer types hardly begin to unlock this distinction. For example, while this book has contained some highly critical comment about UK housebuilders, it is well known that certain housebuilders stand well apart from their breed in their commitment to design matters. Why is this? Similarly, one might expect investor-developers with their long-term real estate holdings to be especially interested in design quality but it would seem that for many, this interest stops at the front door of their newly-completed developments and does even extend to the immediate public realm beyond. Again why is this? So we suggest a second and important research priority would be a thorough study of why attitudes to the value, benefits and costs of design vary between developers. This type of research needs to set design issues alongside other demands on corporate strategy, including financial considerations. It could usefully explore developers' perceptions of specific policy instruments, and their effects on developer behaviour, especially over time, to see whether they spark any long-term change in developer strategies. Such work might be complemented by ethnological studies of the social dynamics, power relations and strategising between developers and their designers, including investigation of the extent of developer commitment to, and investment in high quality design skills.

In conclusion, we regard the rich insights produced throughout this book in answer to the research questions as but work in progress. It is indeed a measure of the maturity of urban design as a focus of academic enquiry that the various contributions to this book have been able to engage so

fully with the relationship between design and development and thus with the crucial issue of delivering, rather than merely articulating, the best of intentions. But we also recognise that there is still a considerable distance to travel in this journey and our hope in editing this book is thus to spur further debate, knowledge and action on the delivery, in practice, of higher quality development and better places.

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